

SECOND REGULAR SESSION

HOUSE BILL NO. 1579

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BARNES.

4079L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 160.400, 160.405, 160.417, 160.540, 162.1250, 163.161, 167.131, 167.241, and 168.110, RSMo, and to enact in lieu thereof twenty-one new sections relating to elementary and secondary education, with an emergency clause for certain sections.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 160.400, 160.405, 160.417, 160.540, 162.1250, 163.161, 167.131, 167.241, and 168.110, RSMo, are repealed and twenty-one new sections enacted in lieu thereof, to be known as sections 135.712, 135.713, 135.714, 135.715, 135.716, 135.717, 135.719, 160.400, 160.405, 160.408, 160.417, 160.540, 161.096, 161.970, 162.1250, 163.161, 167.131, 167.133, 167.241, 167.425, and 168.110, to read as follows:

135.712. 1. Sections 135.712 to 135.719 shall be known and may be cited as the "Equal Opportunity Scholarship Program". This program shall grant scholarships to students from unaccredited districts for certain educational costs as defined in sections 135.712 to 135.719.

2. As used in sections 135.712 to 135.719, the following terms mean:

(1) "Department", the department of economic development;

(2) "Director", the director of the department of economic development;

(3) "Educational assistance organization", a charitable organization registered in this state that is exempt from federal taxation under the Internal Revenue Code of 1986, as amended, is certified by the director, and that allocates all of its annual revenue for educational assistance, with the exception of marketing and administrative expenses in paragraph (c) of subdivision (4) of subsection 1 of section 135.714 and as otherwise directed

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13 in sections 135.712 to 135.719, derived from contributions for which a credit is claimed
14 under this section;

15 (4) "Eligible student", a student who resides in any unaccredited district whose
16 family's income does not exceed two hundred percent of the federal poverty level. Any
17 student who receives an educational scholarship under this program shall remain eligible
18 until the student graduates from high school;

19 (5) "Equal opportunity scholarships", grants to eligible students to cover all or part
20 of the applicable tuition and fees at a qualified school;

21 (6) "Parent", a parent, guardian, custodian, or other person with authority to act
22 on behalf of the eligible student;

23 (7) "Program", the equal opportunity scholarship program established under
24 sections 135.712 to 135.719;

25 (8) "Qualified school", a nonpublic elementary or secondary school in the state that
26 complies with all requirements of the program;

27 (9) "Qualifying contribution", a donation of cash, stock, bonds, or other
28 marketable securities for purposes of claiming a tax credit under sections 135.712 to
29 135.719;

30 (10) "Scholarship amount", the lesser of:

31 (a) The previous year's tuition and fees for nonscholarship students at the qualified
32 school;

33 (b) Ninety percent of the previous year's average current expenditure per average
34 daily attendance for the sending district; or

35 (c) The amount set by the voluntary interdistrict coordinating council, if
36 applicable;

37 (11) "Taxpayer", an individual subject to the state income tax imposed in chapter
38 143, an individual, a firm, a partner in a firm, corporation, or a shareholder in an S
39 corporation doing business in this state and subject to the state income tax imposed by
40 chapter 143, a corporation subject to the annual corporation franchise tax imposed by
41 chapter 147, or an express company which pays an annual tax on its gross receipts in this
42 state under chapter 153, which files a Missouri income tax return and is not a dependent
43 of any other taxpayer.

135.713. 1. For all tax years beginning on or after January 1, 2014, any taxpayer
2 who makes a qualifying contribution to an educational assistance organization may claim
3 a credit against the tax otherwise due under chapter 143, other than taxes withheld under
4 sections 143.191 to 143.265, and chapters 147 and 153, in an amount equal to seventy-five
5 percent of the amount the taxpayer contributed during the tax year for which the credit

6 is claimed. No taxpayer shall claim a credit under sections 135.712 to 135.719 for any
7 contribution made by the taxpayer, or an agent of the taxpayer, on behalf of the taxpayer's
8 dependent, or in the case of a business taxpayer, on behalf of the business's agent's
9 dependent.

10 2. The amount of the tax credit claimed shall not exceed the amount of the
11 taxpayer's state tax liability for the tax year for which the credit is claimed. The
12 department shall certify the tax credit amount to the taxpayer and to the department of
13 revenue. A taxpayer may carry the credit forward to any of such taxpayer's four
14 subsequent taxable years. All tax credits authorized under the program may be
15 transferred, sold, or assigned.

16 3. The cumulative amount of tax credits which may be allocated to all taxpayers
17 contributing to educational assistance organizations in any one fiscal year shall not exceed
18 fifty million dollars, which amount shall annually be adjusted by the department for
19 inflation based on the consumer price index for the Midwest, as defined and officially
20 recorded by the United States Department of Labor, or its successor. The director shall
21 establish a procedure by which the cumulative amount of tax credits are equally
22 apportioned among all facilities classified as educational assistance organizations. If an
23 educational assistance organization fails to use all, or some percentage to be determined
24 by the director, of its apportioned tax credits during this predetermined period of time, the
25 director may reapportion these unused tax credits to those educational assistance
26 organizations that have used all, or some percentage to be determined by the director, of
27 their apportioned tax credits during this predetermined period of time. The director may
28 establish more than one period of time and reapportion more than once during each fiscal
29 year. To the maximum extent possible, the director shall establish the procedure described
30 in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits
31 possible up to the cumulative amount of tax credits available for the fiscal year.

135.714. 1. Each educational assistance organization shall:

- 2 (1) Notify the department of its intent to provide educational scholarships to
3 eligible students attending qualified schools;
- 4 (2) Demonstrate to the department that it is exempt from federal income tax under
5 section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
- 6 (3) Provide a department-approved receipt to taxpayers for contributions made to
7 the organization;
- 8 (4) Ensure that:
 - 9 (a) One hundred percent of its revenues from interest or investments is spent on
10 educational scholarships;

11 (b) At least ninety percent of its revenues from qualifying contributions is spent on
12 educational scholarships; and

13 (c) Marketing and administrative expenses shall not exceed the following limits of
14 its remaining revenue from contributions: ten percent for the first one hundred thousand
15 dollars; eight percent for the next four hundred thousand dollars; six percent for the next
16 five hundred thousand dollars; and three percent thereafter;

17 (5) Distribute educational scholarship payments four times per year in the form of
18 checks made out to an eligible student's parent and mailed to the qualified school where
19 the student is enrolled. The parent shall endorse the check before it can be deposited;

20 (6) Provide the department, upon request, with criminal background checks on all
21 of its employees and board members, and exclude from employment or governance any
22 individual that might reasonably pose a risk to the appropriate use of contributed funds;

23 (7) Ensure that equal opportunity scholarships are portable during the school year
24 and can be used at any qualified school that accepts the eligible student according to a
25 parent's wishes. If an eligible student moves to a new qualified school during a school year,
26 the equal opportunity scholarship amount may be prorated;

27 (8) Demonstrate its financial accountability by:

28 (a) Submitting a financial information report for the organization that complies
29 with uniform financial accounting standards established by the department and is
30 conducted by a certified public accountant; and

31 (b) Having an auditor certify that the report is free of material misstatements; and

32 (9) Demonstrate its financial viability, if it is to receive donations of fifty thousand
33 dollars or more during the school year, by filing with the department before the start of
34 the school year a surety bond payable to the state in an amount equal to the aggregate
35 amount of contributions expected to be received during the school year.

36 2. Each educational assistance organization shall ensure that any qualified school
37 to which it grants a scholarship meets the requirements of section 135.715.

38 3. Educational assistance organizations shall not provide equal opportunity
39 scholarships for eligible students to attend any school with paid staff or board members,
40 or relatives thereof, in common with the educational assistance organization. Educational
41 assistance organizations shall not limit scholarships to only one qualified school or to
42 students from only one sending school or other educational venue.

43 4. An educational assistance organization shall publicly report to the department
44 by June first of each year the following information prepared by a certified public
45 accountant regarding its grants in the previous calendar year:

46 (1) The name and address of the educational assistance organization;

47 (2) The name and address of each eligible student who received an equal
48 opportunity scholarship from the organization;

49 (3) The total number and total dollar amount of contributions received during the
50 previous calendar year;

51 (4) The total number and total dollar amount of equal opportunity scholarships
52 awarded during the previous calendar year;

53 (5) The total number and total dollar amount of equal opportunity scholarships
54 awarded during the previous year to eligible students qualifying for the federal free and
55 reduced price school lunch program.

56 5. Before educational assistance organizations may raise contributions under the
57 program, they shall have received or demonstrated ability to receive applications from
58 eligible students, and shall have identified potential vacancies in qualified schools as
59 determined by the director.

 135.715. 1. A qualified school shall comply with all state laws that apply to public
2 schools regarding criminal background checks for employees and shall exclude from
3 employment any person prohibited by state law from working in a public school.

4 2. A qualified school shall administer to its scholarship students the appropriate
5 statewide assessments under section 160.518. Such assessments shall not be required to be
6 given more frequently in a grade than the statewide assessments are given. Results shall
7 be provided to parents of each equal opportunity scholarship recipient.

8 3. A qualified school shall:

9 (1) Comply with all health and safety laws or codes that apply to nonpublic schools;

10 (2) Hold a valid occupancy permit if required by its municipality; and

11 (3) Accept the application of an eligible student without limitation except as
12 provided in section 167.020 and as provided in subdivision (4) of this subsection;

13 (4) Certify that it will not discriminate in admissions on the basis of race, color,
14 religion, national origin, or disability; however:

15 (a) A qualified school that does not provide special education services shall not be
16 required to provide such services for an eligible student but a qualified school may
17 negotiate arrangements for the provision of services for an eligible student who has an
18 individualized education program that requires speech, occupational, or physical therapy,
19 or other services that are delivered outside the main classroom; and

20 (b) No eligible student shall be required by the school to attend any assembly or to
21 participate in any class that provides religious instruction;

22 (5) File a statement of intent to participate that includes the information listed in
23 this subsection;

24 (6) For initial applicants, file a list of the information required under this
25 subsection, and for requalifying schools, annual reporting of the information required
26 under this subsection. No public reporting of information required under this subsection
27 shall be personally identifiable to an individual student;

28 (7) Be fiscally sound as evidenced by three years in existence, a surety bond, or
29 letter of credit covering the amount of funds received on behalf of scholarship recipients;

30 (8) Be accredited by a regional or national accrediting agency or for a school that
31 is not currently accredited, provisional approval pending the achievement of accreditation
32 no later than the fourth school year of participation;

33 (9) Annually administer a parental satisfaction survey; and

34 (10) Demonstrate evidence of the annual transmittal of the information required
35 by this section to parents and evidence of its availability to applicants.

36 4. A qualified school whose tuition is higher than an eligible student's scholarship
37 amount may allow a work-study program at the level of a ninth grade or higher student
38 with the approval of the student's parent.

39 5. A qualified school shall have on record a form signed by the parent of the
40 scholarship recipient agreeing to the release of the following information to the director:

41 (1) The student's participation as a scholarship recipient under sections 135.712 to
42 135.719; and

43 (2) Testing results for statewide assessment.

44 6. As a condition of participation, the parents and scholarship recipients under
45 sections 135.712 to 135.719 shall agree to abide by the school's code of conduct and any
46 parental involvement requirements unless the qualifying school agrees to a waiver of any
47 requirements.

 135.716. 1. The department shall provide a standardized format for a receipt to be
2 issued by an educational assistance organization to a taxpayer to indicate the value of a
3 contribution received. The department shall require a taxpayer to provide a copy of this
4 receipt when claiming the tax credit authorized by the program.

5 2. The department shall provide a standardized format for educational assistance
6 organizations to report the information required in subsection 1 of this section.

7 3. The department may conduct either a financial review or an audit of an
8 educational assistance organization if the department possesses evidence of fraud
9 committed by the organization or foundation.

10 4. The department may bar an educational assistance organization from
11 participating in the program if the department establishes that the educational assistance
12 organization has intentionally and substantially failed to comply with the requirements in

13 section 135.714. If the department bars an educational assistance organization from the
14 program under this subsection, it shall notify affected eligible students and their parents
15 of the decision as soon as possible after the determination is made.

16 5. The department of economic development shall receive no more than two percent
17 of the qualifying contributions for marketing and administrative expenses or the costs
18 incurred in administering the program, whichever is less. The director shall establish
19 procedures to ensure the percentage of funds for administration of the program is directed
20 to the department of economic development in a timely manner with the necessary
21 information to verify the correct amount has been transmitted. The remaining funds shall
22 be distributed to the educational assistance organizations.

135.717. 1. Subject to appropriations, the joint committee on education shall
2 conduct a study of the program. The joint committee may contract with one or more
3 qualified researchers if assistance is needed and if funds are available.

4 2. The study shall assess the following areas:

5 (1) The impact of the program on public and private school capacity, availability,
6 and quality of service; and

7 (2) Student performance on statewide assessment instruments before and after
8 entering the program, provided that no participating student shall be individually
9 identified.

10 3. The study shall be conducted during the first five years of the program for the
11 period of those five years. If the committee deems it necessary, an interim report or reports
12 may be issued based on available data.

13 4. The joint committee shall provide the general assembly with a final report of the
14 evaluation of the program.

15 5. The public and nonpublic participating schools to and from which students
16 transfer as part of the program shall cooperate with the research effort by providing
17 student assessment instrument scores and any other data necessary to complete this study.
18 Scores and data shall be provided in such a manner that no participating student, or
19 participating student's scores, can be individually identified.

135.719. 1. The department and the department of revenue may promulgate rules
2 to implement the provisions of sections 135.712 to 135.719. Any rule or portion of a rule,
3 as that term is defined in section 536.010, that is created under the authority delegated in
4 this section shall become effective only if it complies with and is subject to all of the
5 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
6 are nonseverable and if any of the powers vested with the general assembly pursuant to
7 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are

8 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
9 proposed or adopted after August 28, 2014, shall be invalid and void.

10 2. Under section 23.253 of the Missouri sunset act:

11 (1) The provisions of the new program authorized under sections 135.712 to
12 135.719 shall automatically sunset twelve years after the effective date of sections 135.712
13 to 135.719 unless reauthorized by an act of the general assembly; and

14 (2) If such program is reauthorized, the program authorized under sections 135.712
15 to 135.719 shall automatically sunset twelve years after the effective date of the
16 reauthorization of sections 135.712 to 135.719; and

17 (3) Sections 135.712 to 135.719 shall terminate on September first of the calendar
18 year immediately following the calendar year in which the program authorized under
19 sections 135.712 to 135.719 is sunset.

160.400. 1. A charter school is an independent public school.

2 2. Except as further provided in subsection 4 of this section, charter schools may be
3 operated only:

4 (1) In a metropolitan school district;

5 (2) In an urban school district containing most or all of a city with a population greater
6 than three hundred fifty thousand inhabitants;

7 (3) In a school district that has been declared unaccredited;

8 (4) In a school district that has been classified as provisionally accredited by the state
9 board of education and has received scores on its annual performance report consistent with a
10 classification of provisionally accredited or unaccredited for three consecutive school years
11 beginning with the 2012-13 accreditation year under the following conditions:

12 (a) The eligibility for charter schools of any school district whose provisional
13 accreditation is based in whole or in part on financial stress as defined in sections 161.520 to
14 161.529, or on financial hardship as defined by rule of the state board of education, shall be
15 decided by a vote of the state board of education during the third consecutive school year after
16 the designation of provisional accreditation; and

17 (b) The sponsor is limited to the local school board or a sponsor who has met the
18 standards of accountability and performance as determined by the department based on sections
19 160.400 to 160.425 and section 167.349 and properly promulgated rules of the department; or

20 (5) In a school district that has been accredited without provisions, sponsored only by
21 the local school board; provided that no board with a current year enrollment of one thousand
22 five hundred fifty students or greater shall permit more than thirty-five percent of its student
23 enrollment to enroll in charter schools sponsored by the local board under the authority of this
24 subdivision, except that this restriction shall not apply to any school district that subsequently

25 becomes eligible under subdivision (3) or (4) of this subsection or to any district accredited
26 without provisions that sponsors charter schools prior to having a current year student enrollment
27 of one thousand five hundred fifty students or greater.

28 3. Except as further provided in subsection 4 of this section, the following entities are
29 eligible to sponsor charter schools:

30 (1) The school board of the district in any district which is sponsoring a charter school
31 as of August 27, 2012, as permitted under subdivision (1) or (2) of subsection 2 of this section,
32 the special administrative board of a metropolitan school district during any time in which
33 powers granted to the district's board of education are vested in a special administrative board,
34 or if the state board of education appoints a special administrative board to retain the authority
35 granted to the board of education of an urban school district containing most or all of a city with
36 a population greater than three hundred fifty thousand inhabitants, the special administrative
37 board of such school district;

38 (2) **The mayor of a city not within a county for school districts under subdivision**
39 **(1) of subsection 2 of this section; and the mayor of a city with a population greater than**
40 **three hundred fifty thousand for school districts under subdivision (2) of subsection 2 of**
41 **this section;**

42 (3) A public four-year college or university with an approved teacher education program
43 that meets regional or national standards of accreditation;

44 [(3)] (4) A community college, the service area of which encompasses some portion of
45 the district;

46 [(4)] (5) Any private four-year college or university with an enrollment of at least one
47 thousand students, with its primary campus in Missouri, and with an approved teacher
48 preparation program;

49 [(5)] (6) Any two-year private vocational or technical school designated as a 501(c)(3)
50 nonprofit organization under the Internal Revenue Code of 1986, as amended, which is a member
51 of the North Central Association and accredited by the Higher Learning Commission, with its
52 primary campus in Missouri; or

53 [(6)] (7) The Missouri charter public school commission created in section 160.425.

54 4. Changes in a school district's accreditation status that affect charter schools shall be
55 addressed as follows, except for the districts described in subdivisions (1) and (2) of subsection
56 2 of this section:

57 (1) As a district transitions from unaccredited to provisionally accredited, the district
58 shall continue to fall under the requirements for an unaccredited district until it achieves three
59 consecutive full school years of provisional accreditation;

60 (2) As a district transitions from provisionally accredited to full accreditation, the district
61 shall continue to fall under the requirements for a provisionally accredited district until it
62 achieves three consecutive full school years of full accreditation;

63 (3) In any school district classified as unaccredited or provisionally accredited where a
64 charter school is operating and is sponsored by an entity other than the local school board, when
65 the school district becomes classified as accredited without provisions, a charter school may
66 continue to be sponsored by the entity sponsoring it prior to the classification of accredited
67 without provisions and shall not be limited to the local school board as a sponsor.

68

69 A charter school operating in a school district identified in subdivision (1) or (2) of subsection
70 2 of this section may be sponsored by any of the entities identified in subsection 3 of this section,
71 irrespective of the accreditation classification of the district in which it is located. A charter
72 school in a district described in this subsection whose charter provides for the addition of grade
73 levels in subsequent years may continue to add levels until the planned expansion is complete
74 to the extent of grade levels in comparable schools of the district in which the charter school is
75 operated.

76 5. The mayor of a city not within a county may request a sponsor under subdivision (2),
77 (3), (4), (5), or (6) of subsection 3 of this section to consider sponsoring a "workplace charter
78 school", which is defined for purposes of sections 160.400 to 160.425 as a charter school with
79 the ability to target prospective students whose parent or parents are employed in a business
80 district, as defined in the charter, which is located in the city.

81 6. No sponsor shall receive from an applicant for a charter school any fee of any type for
82 the consideration of a charter, nor may a sponsor condition its consideration of a charter on the
83 promise of future payment of any kind.

84 7. The charter school shall be organized as a Missouri nonprofit corporation incorporated
85 pursuant to chapter 355. The charter provided for herein shall constitute a contract between the
86 sponsor and the charter school.

87 8. As a nonprofit corporation incorporated pursuant to chapter 355, the charter school
88 shall select the method for election of officers pursuant to section 355.326 based on the class of
89 corporation selected. Meetings of the governing board of the charter school shall be subject to
90 the provisions of sections 610.010 to 610.030.

91 9. A sponsor of a charter school, its agents and employees are not liable for any acts or
92 omissions of a charter school that it sponsors, including acts or omissions relating to the charter
93 submitted by the charter school, the operation of the charter school and the performance of the
94 charter school.

10. A charter school may affiliate with a four-year college or university, including a private college or university, or a community college as otherwise specified in subsection 3 of this section when its charter is granted by a sponsor other than such college, university or community college. Affiliation status recognizes a relationship between the charter school and the college or university for purposes of teacher training and staff development, curriculum and assessment development, use of physical facilities owned by or rented on behalf of the college or university, and other similar purposes. A university, college or community college may not charge or accept a fee for affiliation status.

11. The expenses associated with sponsorship of charter schools shall be defrayed by the department of elementary and secondary education retaining one and five-tenths percent of the amount of state and local funding allocated to the charter school under section 160.415, not to exceed one hundred twenty-five thousand dollars, adjusted for inflation. The department of elementary and secondary education shall remit the retained funds for each charter school to the school's sponsor, provided the sponsor remains in good standing by fulfilling its sponsorship obligations under sections 160.400 to 160.425 and 167.349 with regard to each charter school it sponsors, including appropriate demonstration of the following:

(1) Expends no less than ninety percent of its charter school sponsorship funds in support of its charter school sponsorship program, or as a direct investment in the sponsored schools;

(2) Maintains a comprehensive application process that follows fair procedures and rigorous criteria and grants charters only to those developers who demonstrate strong capacity for establishing and operating a quality charter school;

(3) Negotiates contracts with charter schools that clearly articulate the rights and responsibilities of each party regarding school autonomy, expected outcomes, measures for evaluating success or failure, performance consequences, and other material terms;

(4) Conducts contract oversight that evaluates performance, monitors compliance, informs intervention and renewal decisions, and ensures autonomy provided under applicable law; and

(5) Designs and implements a transparent and rigorous process that uses comprehensive data to make merit-based renewal decisions.

12. Sponsors receiving funds under subsection 11 of this section shall be required to submit annual reports to the joint committee on education demonstrating they are in compliance with subsection 17 of this section.

13. No university, college or community college shall grant a charter to a nonprofit corporation if an employee of the university, college or community college is a member of the corporation's board of directors.

14. No sponsor shall grant a charter under sections 160.400 to 160.425 and 167.349 without ensuring that a criminal background check and family care safety registry check are conducted for all members of the governing board of the charter schools or the incorporators of the charter school if initial directors are not named in the articles of incorporation, nor shall a sponsor renew a charter without ensuring a criminal background check and family care registry check are conducted for each member of the governing board of the charter school.

15. No member of the governing board of a charter school shall hold any office or employment from the board or the charter school while serving as a member, nor shall the member have any substantial interest, as defined in section 105.450, in any entity employed by or contracting with the board. No board member shall be an employee of a company that provides substantial services to the charter school. All members of the governing board of the charter school shall be considered decision-making public servants as defined in section 105.450 for the purposes of the financial disclosure requirements contained in sections 105.483, 105.485, 105.487, and 105.489.

16. A sponsor shall develop the policies and procedures for:

(1) The review of a charter school proposal including an application that provides sufficient information for rigorous evaluation of the proposed charter and provides clear documentation that the education program and academic program are aligned with the state standards and grade-level expectations, and provides clear documentation of effective governance and management structures, and a sustainable operational plan;

(2) The granting of a charter;

(3) The performance framework that the sponsor will use to evaluate the performance of charter schools;

(4) The sponsor's intervention, renewal, and revocation policies, including the conditions under which the charter sponsor may intervene in the operation of the charter school, along with actions and consequences that may ensue, and the conditions for renewal of the charter at the end of the term, consistent with subsections 8 and 9 of section 160.405;

(5) Additional criteria that the sponsor will use for ongoing oversight of the charter; and

(6) Procedures to be implemented if a charter school should close, consistent with the provisions of subdivision (15) of subsection 1 of section 160.405.

[The department shall provide guidance to sponsors in developing such policies and procedures.]

17. (1) A sponsor shall provide timely submission to the state board of education of all data necessary to demonstrate that the sponsor is in material compliance with all requirements of sections 160.400 to 160.425 and section 167.349. The state board of education shall ensure each sponsor is in compliance with all requirements under sections 160.400 to 160.425 and

167.349 for each charter school sponsored by any sponsor. The state board shall notify each sponsor of the standards for sponsorship of charter schools, delineating both what is mandated by statute and what best practices dictate. The state board shall evaluate sponsors to determine compliance with these standards every three years. The evaluation shall include a sponsor's policies and procedures in the areas of charter application approval; required charter agreement terms and content; sponsor performance evaluation and compliance monitoring; and charter renewal, intervention, and revocation decisions. Nothing shall preclude the department from undertaking an evaluation at any time for cause.

(2) If the department determines that a sponsor is in material noncompliance with its sponsorship duties, the sponsor shall be notified and given reasonable time for remediation. If remediation does not address the compliance issues identified by the department, the commissioner of education shall conduct a public hearing and thereafter provide notice to the charter sponsor of corrective action that will be recommended to the state board of education. Corrective action by the department may include withholding the sponsor's funding and suspending the sponsor's authority to sponsor a school that it currently sponsors or to sponsor any additional school until the sponsor is reauthorized by the state board of education under section 160.403.

(3) The charter sponsor may, within thirty days of receipt of the notice of the commissioner's recommendation, provide a written statement and other documentation to show cause as to why that action should not be taken. Final determination of corrective action shall be determined by the state board of education based upon a review of the documentation submitted to the department and the charter sponsor.

(4) If the state board removes the authority to sponsor a currently operating charter school under any provision of law, the Missouri charter public school commission shall become the sponsor of the school.

160.405. 1. A person, group or organization seeking to establish a charter school shall submit the proposed charter, as provided in this section, to a sponsor. If the sponsor is not a school board, the applicant shall give a copy of its application to the school board of the district in which the charter school is to be located and to the state board of education, within five business days of the date the application is filed with the proposed sponsor. The school board may file objections with the proposed sponsor, and, if a charter is granted, the school board may file objections with the state board of education. The charter shall [be] **include** a legally binding performance contract that describes the obligations and responsibilities of the school and the sponsor as outlined in sections 160.400 to 160.425 and section 167.349 and shall [also include] **address the following:**

(1) A mission and vision statement for the charter school;

- 12 (2) A description of the charter school's organizational structure and bylaws of the
13 governing body, which will be responsible for the policy, financial management, and operational
14 decisions of the charter school, including the nature and extent of parental, professional educator,
15 and community involvement in the governance and operation of the charter school;
- 16 (3) A financial plan for the first three years of operation of the charter school including
17 provisions for annual audits;
- 18 (4) A description of the charter school's policy for securing personnel services, its
19 personnel policies, personnel qualifications, and professional development plan;
- 20 (5) A description of the grades or ages of students being served;
- 21 (6) The school's calendar of operation, which shall include at least the equivalent of a
22 full school term as defined in section 160.011;
- 23 (7) A description of the charter school's pupil performance standards and academic
24 program performance standards, which shall meet the requirements of subdivision (6) of
25 subsection 4 of this section. The charter school program shall be designed to enable each pupil
26 to achieve such standards and shall contain a complete set of indicators, measures, metrics, and
27 targets for academic program performance, including specific goals on graduation rates and
28 standardized test performance and academic growth;
- 29 (8) A description of the charter school's educational program and curriculum;
- 30 (9) The term of the charter, which shall be five years and shall be renewable;
- 31 (10) Procedures, consistent with the Missouri financial accounting manual, for
32 monitoring the financial accountability of the charter, which shall meet the requirements of
33 subdivision (4) of subsection 4 of this section;
- 34 (11) Preopening requirements for applications that require that charter schools meet all
35 health, safety, and other legal requirements prior to opening;
- 36 (12) A description of the charter school's policies on student discipline and student
37 admission, which shall include a statement, where applicable, of the validity of attendance of
38 students who do not reside in the district but who may be eligible to attend under the terms of
39 judicial settlements and procedures that ensure admission of students with disabilities in a
40 nondiscriminatory manner;
- 41 (13) A description of the charter school's grievance procedure for parents or guardians;
- 42 (14) A description of the agreement between the charter school and the sponsor as to
43 when a sponsor shall intervene in a charter school, when a sponsor shall revoke a charter for
44 failure to comply with subsection 8 of this section, and when a sponsor will not renew a charter
45 under subsection 9 of this section;
- 46 (15) Procedures to be implemented if the charter school should close, as provided in
47 subdivision (6) of subsection 16 of section 160.400 including:

- 48 (a) Orderly transition of student records to new schools and archival of student records;
49 (b) Archival of business operation and transfer or repository of personnel records;
50 (c) Submission of final financial reports;
51 (d) Resolution of any remaining financial obligations; and
52 (e) Disposition of the charter school's assets upon closure;
53 (f) A notification plan to inform parents or guardians of students, the local school
54 district, the retirement system in which the charter school's employees participate, and the state
55 board of education within thirty days of the decision to close;
- 56 (16) A description of the special education and related services that shall be available
57 to meet the needs of students with disabilities; and
- 58 (17) For all new or revised charters, procedures to be used upon closure of the charter
59 school requiring that unobligated assets of the charter school be returned to the department of
60 elementary and secondary education for their disposition, which upon receipt of such assets shall
61 return them to the local school district in which the school was located, the state, or any other
62 entity to which they would belong.
- 63
- 64 Charter schools operating on August 27, 2012, shall have until August 28, 2015, to meet the
65 requirements of this subsection.
- 66 2. Proposed charters shall be subject to the following requirements:
- 67 (1) A charter shall be submitted to the sponsor, and follow the sponsor's policies and
68 procedures for review and granting of a charter approval, and be approved by the state board of
69 education by [December first] **January thirty-first** of the year [prior to] **that is** the proposed
70 opening date of the charter school;
- 71 (2) A charter may be approved when the sponsor determines that the requirements of this
72 section are met, determines that the applicant is sufficiently qualified to operate a charter school,
73 and that the proposed charter is consistent with the sponsor's charter sponsorship goals and
74 capacity. The sponsor's decision of approval or denial shall be made within ninety days of the
75 filing of the proposed charter;
- 76 (3) If the charter is denied, the proposed sponsor shall notify the applicant in writing as
77 to the reasons for its denial and forward a copy to the state board of education within five
78 business days following the denial;
- 79 (4) If a proposed charter is denied by a sponsor, the proposed charter may be submitted
80 to the state board of education, along with the sponsor's written reasons for its denial. If the state
81 board determines that the applicant meets the requirements of this section, that the applicant is
82 sufficiently qualified to operate the charter school, and that granting a charter to the applicant
83 would be likely to provide educational benefit to the children of the district, the state board may

84 grant a charter and act as sponsor of the charter school. The state board shall review the
85 proposed charter and make a determination of whether to deny or grant the proposed charter
86 within sixty days of receipt of the proposed charter, provided that any charter to be considered
87 by the state board of education under this subdivision shall be submitted no later than March first
88 prior to the school year in which the charter school intends to begin operations. The state board
89 of education shall notify the applicant in writing as the reasons for its denial, if applicable; and

90 (5) The sponsor of a charter school shall give priority to charter school applicants that
91 propose a school oriented to high-risk students and to the reentry of dropouts into the school
92 system. If a sponsor grants three or more charters, at least one-third of the charters granted by
93 the sponsor shall be to schools that actively recruit dropouts or high-risk students as their student
94 body and address the needs of dropouts or high-risk students through their proposed mission,
95 curriculum, teaching methods, and services. For purposes of this subsection, a "high-risk"
96 student is one who is at least one year behind in satisfactory completion of course work or
97 obtaining high school credits for graduation, has dropped out of school, is at risk of dropping out
98 of school, needs drug and alcohol treatment, has severe behavioral problems, has been suspended
99 from school three or more times, has a history of severe truancy, is a pregnant or parenting teen,
100 has been referred for enrollment by the judicial system, is exiting incarceration, is a refugee, is
101 homeless or has been homeless sometime within the preceding six months, has been referred by
102 an area school district for enrollment in an alternative program, or qualifies as high risk under
103 department of elementary and secondary education guidelines. "Dropout" shall be defined
104 through the guidelines of the school core data report. The provisions of this subsection do not
105 apply to charters sponsored by the state board of education.

106 3. If a charter is approved by a sponsor, the charter application shall be submitted to the
107 state board of education, along with a statement of finding **by the sponsor** that the application
108 meets the requirements of sections 160.400 to 160.425 and section 167.349 and a monitoring
109 plan under which the charter sponsor shall evaluate the academic performance of students
110 enrolled in the charter school. The state board of education [may, within] **has** sixty days[,
111 disapprove the granting of the charter.] **from receipt of the charter application to renew the**
112 **application. Any charter application received by the state board of education on or before**
113 **November fifteenth of the year prior to the proposed opening of the charter school shall**
114 **be considered by the state board of education within the sixty-day period. At the**
115 **conclusion of the sixty-day period, the charter application shall be deemed approved unless**
116 the state board of education [may disapprove a] **disapproves** the charter on grounds that the
117 application fails to meet the requirements of sections 160.400 to 160.425 and section 167.349
118 or that a charter sponsor previously failed to meet the statutory responsibilities of a charter
119 sponsor. **Any disapproval of a charter application made by the state board of education**

shall be in writing and shall identify the specific failures of the application to meet the requirements of sections 160.400 to 160.425 and section 167.349, and the written disapproval shall be provided within five business days to the sponsor.

4. A charter school shall, as provided in its charter:

(1) Be nonsectarian in its programs, admission policies, employment practices, and all other operations;

(2) Comply with laws and regulations of the state, county, or city relating to health, safety, and state minimum educational standards, as specified by the state board of education, including the requirements relating to student discipline under sections 160.261, 167.161, 167.164, and 167.171, notification of criminal conduct to law enforcement authorities under sections 167.115 to 167.117, academic assessment under section 160.518, transmittal of school records under section 167.020, the minimum number of school days and hours required under section 160.041, and the employee criminal history background check and the family care safety registry check under section 168.133;

(3) Except as provided in sections 160.400 to 160.425, be exempt from all laws and rules relating to schools, governing boards and school districts;

(4) Be financially accountable, use practices consistent with the Missouri financial accounting manual, provide for an annual audit by a certified public accountant, publish audit reports and annual financial reports as provided in chapter 165, provided that the annual financial report may be published on the department of elementary and secondary education's internet website in addition to other publishing requirements, and provide liability insurance to indemnify the school, its board, staff and teachers against tort claims. A charter school that receives local educational agency status under subsection 6 of this section shall meet the requirements imposed by the Elementary and Secondary Education Act for audits of such agencies and comply with all federal audit requirements for charters with local education agency status. For purposes of an audit by petition under section 29.230, a charter school shall be treated as a political subdivision on the same terms and conditions as the school district in which it is located. For the purposes of securing such insurance, a charter school shall be eligible for the Missouri public entity risk management fund pursuant to section 537.700. A charter school that incurs debt shall include a repayment plan in its financial plan;

(5) Provide a comprehensive program of instruction for at least one grade or age group from kindergarten through grade twelve, which may include early childhood education if funding for such programs is established by statute, as specified in its charter;

(6) (a) Design a method to measure pupil progress toward the pupil academic standards adopted by the state board of education pursuant to section 160.514, establish baseline student performance in accordance with the performance contract during the first year of operation,

156 collect student performance data as defined by the annual performance report throughout the
157 duration of the charter to annually monitor student academic performance, and to the extent
158 applicable based upon grade levels offered by the charter school, participate in the statewide
159 system of assessments, comprised of the essential skills tests and the nationally standardized
160 norm-referenced achievement tests, as designated by the state board pursuant to section 160.518,
161 complete and distribute an annual report card as prescribed in section 160.522, which shall also
162 include a statement that background checks have been completed on the charter school's board
163 members, report to its sponsor, the local school district, and the state board of education as to
164 its teaching methods and any educational innovations and the results thereof, and provide data
165 required for the study of charter schools pursuant to subsection 4 of section 160.410. No charter
166 school shall be considered in the Missouri school improvement program review of the district
167 in which it is located for the resource or process standards of the program.

168 (b) For proposed high risk or alternative charter schools, sponsors shall approve
169 performance measures based on mission, curriculum, teaching methods, and services. Sponsors
170 shall also approve comprehensive academic and behavioral measures to determine whether
171 students are meeting performance standards on a different time frame as specified in that school's
172 charter. Student performance shall be assessed comprehensively to determine whether a high
173 risk or alternative charter school has documented adequate student progress. Student
174 performance shall be based on sponsor-approved comprehensive measures as well as
175 standardized public school measures. Annual presentation of charter school report card data to
176 the department of elementary and secondary education, the state board, and the public shall
177 include comprehensive measures of student progress.

178 (c) Nothing in this subdivision shall be construed as permitting a charter school to be
179 held to lower performance standards than other public schools within a district; however, the
180 charter of a charter school may permit students to meet performance standards on a different time
181 frame as specified in its charter. The performance standards for alternative and special purpose
182 charter schools that target high-risk students as defined in subdivision (5) of subsection 2 of this
183 section shall be based on measures defined in the school's performance contract with its
184 sponsors;

185 (7) Comply with all applicable federal and state laws and regulations regarding students
186 with disabilities, including sections 162.670 to 162.710, the Individuals with Disabilities
187 Education Act (20 U.S.C. Section 1400) and Section 504 of the Rehabilitation Act of 1973 (29
188 U.S.C. Section 794) or successor legislation;

189 (8) Provide along with any request for review by the state board of education the
190 following:

(a) Documentation that the applicant has provided a copy of the application to the school board of the district in which the charter school is to be located, except in those circumstances where the school district is the sponsor of the charter school; and

(b) A statement outlining the reasons for approval or disapproval by the sponsor, specifically addressing the requirements of sections 160.400 to 160.425 and 167.349.

5. (1) Proposed or existing high-risk or alternative charter schools may include alternative arrangements for students to obtain credit for satisfying graduation requirements in the school's charter application and charter. Alternative arrangements may include, but not be limited to, credit for off-campus instruction, embedded credit, work experience through an internship arranged through the school, and independent studies. When the state board of education approves the charter, any such alternative arrangements shall be approved at such time.

(2) The department of elementary and secondary education shall conduct a study of any charter school granted alternative arrangements for students to obtain credit under this subsection after three years of operation to assess student performance, graduation rates, educational outcomes, and entry into the workforce or higher education.

6. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor. The sponsor and the governing board and staff of the charter school shall jointly review the school's performance, management and operations during the first year of operation and then every other year after the most recent review or at any point where the operation or management of the charter school is changed or transferred to another entity, either public or private. The governing board of a charter school may amend the charter, if the sponsor approves such amendment, or the sponsor and the governing board may reach an agreement in writing to reflect the charter school's decision to become a local educational agency. In such case the sponsor shall give the department of elementary and secondary education written notice no later than March first of any year, with the agreement to become effective July first. The department may waive the March first notice date in its discretion. The department shall identify and furnish a list of its regulations that pertain to local educational agencies to such schools within thirty days of receiving such notice.

7. Sponsors shall annually review the charter school's compliance with statutory standards including:

(1) Participation in the statewide system of assessments, as designated by the state board of education under section 160.518;

(2) Assurances for the completion and distribution of an annual report card as prescribed in section 160.522;

(3) The collection of baseline data during the first three years of operation to determine the longitudinal success of the charter school;

(4) A method to measure pupil progress toward the pupil academic standards adopted by the state board of education under section 160.514; and

(5) Publication of each charter school's annual performance report.

8. (1) (a) A sponsor's intervention policies shall give schools clear, adequate, evidence-based, and timely notice of contract violations or performance deficiencies and mandate intervention based upon findings of the state board of education of the following:

a. The charter school provides a high school program which fails to maintain a graduation rate of at least seventy percent in three of the last four school years unless the school has dropout recovery as its mission;

b. The charter school's annual performance report results are below the district's annual performance report results based on the performance standards that are applicable to the grade level configuration of both the charter school and the district in which the charter school is located in three of the last four school years; and

c. The charter school is identified as a persistently lowest achieving school by the department of elementary and secondary education.

(b) A sponsor shall have a policy to revoke a charter during the charter term if there is:

a. Clear evidence of underperformance as demonstrated in the charter school's annual performance report in three of the last four school years; or

b. A violation of the law or the public trust that imperils students or public funds.

(c) A sponsor shall revoke a charter or take other appropriate remedial action, which may include placing the charter school on probationary status for no more than twelve months, provided that no more than one designation of probationary status shall be allowed for the duration of the charter contract, at any time if the charter school commits a serious breach of one or more provisions of its charter or on any of the following grounds: failure to meet the performance contract as set forth in its charter, failure to meet generally accepted standards of fiscal management, failure to provide information necessary to confirm compliance with all provisions of the charter and sections 160.400 to 160.425 and 167.349 within forty-five days following receipt of written notice requesting such information, or violation of law.

(2) The sponsor may place the charter school on probationary status to allow the implementation of a remedial plan, which may require a change of methodology, a change in leadership, or both, after which, if such plan is unsuccessful, the charter may be revoked.

(3) At least sixty days before acting to revoke a charter, the sponsor shall notify the governing board of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action. The school's governing board may request in writing a hearing before the sponsor within two weeks of receiving the notice.

(4) The sponsor of a charter school shall establish procedures to conduct administrative hearings upon determination by the sponsor that grounds exist to revoke a charter. Final decisions of a sponsor from hearings conducted pursuant to this subsection are subject to an appeal to the state board of education, which shall determine whether the charter shall be revoked.

(5) A termination shall be effective only at the conclusion of the school year, unless the sponsor determines that continued operation of the school presents a clear and immediate threat to the health and safety of the children.

(6) A charter sponsor shall make available the school accountability report card information as provided under section 160.522 and the results of the academic monitoring required under subsection 3 of this section.

9. (1) A sponsor shall take all reasonable steps necessary to confirm that each charter school sponsored by such sponsor is in material compliance and remains in material compliance with all material provisions of the charter and sections 160.400 to 160.425 and 167.349. Every charter school shall provide all information necessary to confirm ongoing compliance with all provisions of its charter and sections 160.400 to 160.425 and 167.349 in a timely manner to its sponsor.

(2) The sponsor's renewal process of the charter school shall be based on the thorough analysis of a comprehensive body of objective evidence and consider if:

(a) The charter school has maintained results on its annual performance report that meet or exceed the district in which the charter school is located based on the performance standards that are applicable to the grade-level configuration of both the charter school and the district in which the charter school is located in three of the last four school years;

(b) The charter school is organizationally and fiscally viable determining at a minimum that the school does not have:

a. A negative balance in its operating funds;

b. A combined balance of less than three percent of the amount expended for such funds during the previous fiscal year; or

c. Expenditures that exceed receipts for the most recently completed fiscal year;

(c) The charter is in compliance with its legally binding performance contract and sections 160.400 to 160.425 and section 167.349.

(3) (a) Beginning August first during the year in which a charter is considered for renewal, a charter school sponsor shall demonstrate to the state board of education that the charter school is in compliance with federal and state law as provided in sections 160.400 to 160.425 and section 167.349 and the school's performance contract including but not limited to those requirements specific to academic performance.

298 (b) Along with data reflecting the academic performance standards indicated in
299 paragraph (a) of this subdivision, the sponsor shall submit a revised charter application to the
300 state board of education for review.

301 (c) Using the data requested and the revised charter application under paragraphs (a) and
302 (b) of this subdivision, the state board of education shall determine if compliance with all
303 standards enumerated in this subdivision has been achieved. The state board of education at its
304 next regularly scheduled meeting shall vote on the revised charter application.

305 (d) If a charter school sponsor demonstrates the objectives identified in this subdivision,
306 the state board of education shall renew the school's charter. **Any decision of the state board
307 of education not to renew a charter school's charter shall be based solely on the charter
308 application's failure to comply with this subdivision.**

309 10. A school district may enter into a lease with a charter school for physical facilities.

310 11. A governing board or a school district employee who has control over personnel
311 actions shall not take unlawful reprisal against another employee at the school district because
312 the employee is directly or indirectly involved in an application to establish a charter school. A
313 governing board or a school district employee shall not take unlawful reprisal against an
314 educational program of the school or the school district because an application to establish a
315 charter school proposes the conversion of all or a portion of the educational program to a charter
316 school. As used in this subsection, "unlawful reprisal" means an action that is taken by a
317 governing board or a school district employee as a direct result of a lawful application to
318 establish a charter school and that is adverse to another employee or an educational program.

319 12. Charter school board members shall be subject to the same liability for acts while
320 in office as if they were regularly and duly elected members of school boards in any other public
321 school district in this state. The governing board of a charter school may participate, to the same
322 extent as a school board, in the Missouri public entity risk management fund in the manner
323 provided under sections 537.700 to 537.756.

324 13. Any entity, either public or private, operating, administering, or otherwise managing
325 a charter school shall be considered a quasi-public governmental body and subject to the
326 provisions of sections 610.010 to 610.035.

327 14. The chief financial officer of a charter school shall maintain:

328 (1) A surety bond in an amount determined by the sponsor to be adequate based on the
329 cash flow of the school; or

330 (2) An insurance policy issued by an insurance company licensed to do business in
331 Missouri on all employees in the amount of five hundred thousand dollars or more that provides
332 coverage in the event of employee theft.

160.408. 1. A high-quality charter school is a charter school operating in the state of Missouri which meets the following requirements:

(1) Receives seventy-five percent or more of the total points on the annual performance report for three out of the last four school years by comparing points earned to the points possible on the annual performance report for three of the last four school years;

(2) Maintains a graduation rate of at least eighty percent for three of the last four school years, if the charter school provides a high school program;

(3) Is in material compliance with its legally binding performance contract and sections 160.400 to 160.425 and section 167.349; and

(4) Is organizationally and fiscally viable as described in paragraph (b) of subdivision (2) of subsection 9 of section 160.405.

2. A high-quality charter management organization is a charter management organization operating in the state of Missouri or another state which meets one of the following requirements:

(1) Manages a high-quality charter school as defined in subsection 1 of this section;

(2) Manages at least one charter school with a record of achieved results three of the last four school years based on performance on statewide assessments, annual student attendance and retention rates, and if applicable high school graduation rates, all of which are above the statewide average for all schools; or

(3) Is a recipient of U.S. Department of Education Charter Schools Program Grant for Replication and Expansion of High-Quality Charter Schools.

3. Notwithstanding any other provision of law, high quality charter schools and high-quality charter management organizations shall be provided expedited opportunities to replicate and expand into unaccredited districts, a metropolitan district, or an urban school district containing most or all of the home rule city with more than four hundred thousand inhabitants and located in more than one county. Such replication and expansion shall be subject to the following:

(1) The school or management organization seeking to replicate or expand shall submit its proposed charter to a proposed sponsor. The charter shall include a legally binding performance contract that meets the requirements of sections 160.400 to 160.425 and section 167.349;

(2) The sponsor's decision to approve or deny shall be made within sixty days of the filing of the proposed charter with the proposed sponsor;

(3) If a charter is approved by a sponsor, the charter application shall be filed with the state board of education, along with a statement of finding from the sponsor that the

37 application meets the requirements of sections 160.400 to 160.425 and section 167.349 and
38 a monitoring plan under which the sponsor shall evaluate the academic performance of
39 students enrolled in the charter school. Such filing shall be made by January thirty-first
40 of the year that is the proposed opening date of the charter school;

41 (4) If the charter is denied, the proposed sponsor shall notify the applicant in
42 writing as to the reasons for its denial and forward a copy to the state board of education
43 within five business days following the denial;

44 (5) If a proposed charter is denied by a sponsor, the proposed charter may be
45 submitted to the state board of education, along with the sponsor's written reasons for its
46 denial. If the state board determines that the applicant meets the requirements of this
47 section, that the applicant is sufficiently qualified to operate the charter school, and that
48 granting a charter to the applicant would likely provide educational benefit to the children
49 of the district, the state board may grant a charter and act as a sponsor of the charter
50 school. The state board shall review the proposed charter and make a determination of
51 whether to deny or grant the proposed charter within sixty days of receipt of the proposed
52 charter, provided that any charter to be considered by the state board of education under
53 this subdivision shall be submitted no later than March first prior to the school year in
54 which the charter school intends to begin operations. The state board of education shall
55 notify the applicant in writing as to the reasons for denial, if applicable.

56 4. The term of the charter for schools operating under this section shall be ten years
57 and shall be renewable. Renewal shall be subject to the provisions of paragraphs (a) to (d)
58 of subdivision (3) of subsection 9 of section 160.405.

160.417. 1. By October 1, 2012, and by each October first thereafter, the sponsor of each
2 charter school shall review the information submitted on the report required by section 162.821
3 to identify charter schools experiencing financial stress. The department of elementary and
4 secondary education shall be authorized to obtain such additional information from a charter
5 school as may be necessary to determine the financial condition of the charter school. Annually,
6 a listing of charter schools identified as experiencing financial stress according to the provisions
7 of this section shall be provided to the governor, speaker of the house of representatives, and
8 president pro tempore of the senate by the department of elementary and secondary education.

9 2. For the purposes of this section, a charter school shall be identified as experiencing
10 financial stress if it:

11 (1) At the end of its most recently completed fiscal year:

12 (a) Has a negative balance in its operating funds; or

13 (b) Has a combined balance of less than three percent of the amount expended from such
14 funds during the previous fiscal year; or

15 (2) For the most recently completed fiscal year expenditures, exceeded receipts for any
16 of its funds because of recurring costs.

17 3. The sponsor shall notify by November first the governing board of the charter school
18 identified as experiencing financial stress. Upon receiving the notification, the governing board
19 shall develop, or cause to have developed, and shall approve a budget and education plan on
20 forms provided by the sponsor. The budget and education plan shall be submitted to the sponsor,
21 signed by the officers of the charter school, within forty-five calendar days of notification that
22 the charter school has been identified as experiencing financial stress. Minimally, the budget and
23 education plan shall:

24 (1) Give assurances that adequate educational services to students of the charter school
25 shall continue uninterrupted for the remainder of the current school year and that the charter
26 school can provide the minimum number of school days and hours required by section 160.041;

27 (2) Outline a procedure to be followed by the charter school to report to charter school
28 patrons about the financial condition of the charter school; and

29 (3) Detail the expenditure reduction measures, revenue increases, or other actions to be
30 taken by the charter school to address its condition of financial stress.

31 4. Upon receipt and following review of any budget and education plan, the sponsor may
32 make suggestions to improve the plan. Nothing in sections 160.400 to 160.425 or section
33 167.349 shall exempt a charter school from submitting a budget and education plan to the
34 sponsor according to the provisions of this section following each such notification that a charter
35 school has been identified as experiencing financial stress, except that the sponsor may permit
36 a charter school's governing board to make amendments to or update a budget and education plan
37 previously submitted to the sponsor.

38 5. The department may withhold any payment of financial aid otherwise due to the
39 charter school until such time as the sponsor and the charter school have fully complied with this
40 section.

41 **6. The provisions of this section shall only apply to charter schools that have been**
42 **in operation for three or more calendar years.**

160.540. 1. [In any school district whose graduation rate, as defined in section 160.011,
2 is below sixty-five percent, the district school board shall determine which schools in the district
3 meet the criteria set forth pursuant to section 160.538 as being academically deficient, based on
4 the results of the assessment system developed pursuant to section 160.518, whether or not the
5 state board of education has made a finding that the schools are academically deficient.] **The**
6 **"achievement school district" or "ASD" is an organizational unit of the department of**
7 **elementary and secondary education, established and administered by the commissioner**
8 **for the purpose of providing oversight for the operation of schools assigned to or**

9 authorized by the ASD under subsection 2 of this section. The commissioner shall have the
10 authority to directly operate or contract with one or more individuals, governmental
11 entities, or nonprofit entities to manage the day-to-day operations of any or all schools
12 placed in the ASD, including, but not limited to, providing direct services to students. The
13 commissioner shall have the authority to assign any school or school district to the ASD at
14 any time such school or school district is designated to be unaccredited under section
15 161.092 or 161.096, as further provided in subsection 2 of this section.

16 2. The commissioner shall assign to the ASD each school that is designated
17 unaccredited under section 161.096. The state board of education may recommend to the
18 commissioner the assignment of a school district to the ASD under section 162.081. The
19 provisions of this subsection shall not apply to any school operated by the department of
20 elementary and secondary education or state board of education, nor to any school or
21 district operated under sections 162.670 to 162.999.

22 3. With respect to any such school or school district, notwithstanding any provision of
23 state law or regulation, district rule or regulation, or contract, the [school district board] ASD
24 shall have the authority to suspend or terminate contracts of certificated staff, the principal and
25 any administrators having responsibility for the school and to reconstitute the school with new
26 teachers and administrative staff. The authority granted herein shall not preclude the district
27 board from offering contracts to individual teachers or administrators as the board may deem
28 appropriate. Any termination of a contract of an individual permanent teacher pursuant to this
29 section shall be subject to the procedures of sections 168.114 to 168.120 or section 168.221,
30 whichever is applicable to such contract.

31 [2.] 4. In any school or school district subject to the provisions of subsection 1 of this
32 section, the [district] ASD shall develop a program of incentives and rewards for teachers who
33 contribute to a successful effort to prevent schools from becoming [academically deficient as
34 defined in this section or to remove schools that have been so identified from that category]
35 unaccredited. The district's plan shall be subject to approval by the commissioner of education
36 and may include, but shall not be limited to, [bonuses] performance-based pay, opportunities
37 for staff development and the granting of status as master teachers.

161.096. 1. As authorized under its duty to classify the schools of the state under
2 section 161.092, the state board of education shall adopt a system of classification that
3 accredits individual school buildings within an unaccredited district separately from the
4 district as a whole. This system shall be used only to classify the individual schools
5 operated by any district that the state board of education has classified as unaccredited.

6 2. The state board of education shall promulgate rules and regulations to
7 implement the provisions of this section.

8 **3. Notwithstanding the provisions of subdivision (9) of section 161.092 to the**
9 **contrary, the rules and regulations promulgated under this section shall be effective thirty**
10 **days after publication in the code of state regulations as provided in section 536.021 and**
11 **shall not be subject to the two-year delay contained in subdivision (9) of section 161.092.**

12 **4. Any school deemed unaccredited shall be removed from the jurisdiction of the**
13 **district to which it is geographically assigned and reformed under terms specified by the**
14 **state board of education or its designee.**

161.970. 1. There is hereby created in the state treasury the "Rewarding Teacher
2 **Excellence Fund", which shall consist of donations and appropriations by the general**
3 **assembly under this section in order to reward highly effective teachers and provide**
4 **incentives for local school districts to align teacher salaries with student performance. The**
5 **state treasurer shall be custodian of the fund. In accordance with sections 30.170 and**
6 **30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund**
7 **and, upon appropriation, money in the fund shall be used solely for the administration of**
8 **this section. Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
9 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
10 **general revenue fund. The state treasurer shall invest moneys in the fund in the same**
11 **manner as other funds are invested. Any interest and moneys earned on such investments**
12 **shall be credited to the fund.**

13 **2. No more than eighty percent of the fund shall be distributed to eligible districts**
14 **in any year.**

15 **3. Districts may receive fund grants by adopting salary schedules providing**
16 **performance-based pay for highly effective teachers based, at least fifty percent, on**
17 **objective measures of student growth. In addition, to be eligible, a district shall include**
18 **measures of parent and student feedback in a proportion equal to or greater than**
19 **supervisor evaluations.**

20 **4. To be eligible for fund grants, a district must submit an application by July first.**

21 **5. The department shall make seventy percent of annual awards on the basis of**
22 **each qualifying district's proportion of student population. The remaining thirty percent**
23 **of annual awards may be made according to qualifications set by the department by rule**
24 **for innovative programs.**

25 **6. Notwithstanding any other provision of law, any entity which donates to the fund**
26 **shall be eligible to exclude from Missouri income taxes the amount donated.**

162.1250. 1. School districts shall receive state school funding under sections 163.031,
2 **163.043, and 163.087 for resident students who are enrolled in the school district and who are**
3 **taking a virtual course or full-time virtual program offered by the school district. The school**

4 district may offer instruction in a virtual setting using technology, intranet, and internet methods
5 of communications that could take place outside of the regular school district facility. The
6 school district may develop a virtual program for any grade level, kindergarten through twelfth
7 grade, with the courses available in accordance with district policy to any resident student of the
8 district who is enrolled in the school district. Nothing in this section shall preclude a private,
9 parochial, or home school student residing within a school district offering virtual courses or
10 virtual programs from enrolling in the school district in accordance with the combined
11 enrollment provisions of section 167.031 for the purposes of participating in the virtual courses
12 or virtual programs.

13 2. Charter schools shall receive state school funding under section 160.415 for students
14 enrolled in the charter school who are completing a virtual course or full-time virtual program
15 offered by the charter school. Charter schools may offer instruction in a virtual setting using
16 technology, intranet, and internet methods of communications. The charter school may develop
17 a virtual program for any grade level, kindergarten through twelfth grade, with the courses
18 available in accordance with school policy and the charter school's charter to any student enrolled
19 in the charter school.

20 3. For purposes of calculation and distribution of state school funding, attendance of a
21 student enrolled in a district or charter school virtual class shall equal, upon course completion,
22 ninety-four percent of the hours of attendance possible for such class delivered in the nonvirtual
23 program in the student's resident district or charter school. Course completion shall be calculated
24 in two increments, fifty percent completion and one hundred percent completion, based on the
25 student's completion of defined assignments and assessments, with distribution of state funding
26 to a school district or charter school at each increment equal to forty-seven percent of hours of
27 attendance possible for such course delivered in the nonvirtual program in a student's school
28 district of residence or charter school.

29 4. **Any student who is a resident of an unaccredited school district as described in**
30 **section 167.133 who is enrolled in a public school in the unaccredited district at the time**
31 **the district is declared unaccredited or subsequently while the district is classified as**
32 **unaccredited may enroll in a school district other than his or her school district of**
33 **residence or in a charter school for the purpose of attending virtual courses or programs.**
34 **For purposes of this subsection, "virtual nonresident students" shall mean students who**
35 **are enrolled in a public school in an unaccredited district who seek to enroll in another**
36 **school district or a charter school for the purpose of attending virtual courses or programs.**
37 **School districts or charter schools may enroll any virtual nonresident student. School**
38 **districts and charter schools shall admit students under this subsection based on the time**
39 **of submission of an application for enrollment until full capacity is reached. A school**

40 district or charter school shall give a preference to a sibling of a student already enrolled.
41 A student who enrolls in another school district or charter school under this subsection
42 may remain enrolled until he or she has completed all grade levels offered or he or she
43 withdraws from the school. For purposes of calculation and distribution of state school
44 funding for virtual nonresident students, the virtual nonresident student shall be included
45 in the average daily attendance of his or her school district of residence. The virtual
46 nonresident student's district of residence shall pay the school district or charter school
47 providing such virtual education an amount equal to seventy-two and one-half percent of
48 the previous year's statewide average current expenditure per-average daily attendance
49 for full-time enrollment, provided that the amount paid by any district shall not exceed the
50 total amount due to the district under subsections 1 and 2 of section 163.031.

51 5. In addition to those entities which may sponsor charter schools under section
52 160.400, any institution of higher education with its primary campus located in Missouri
53 with an approved teacher education program may sponsor virtual charter schools for
54 attendance by nonresident virtual students as defined in subsection 4 of this section.
55 Virtual charter schools are charter schools and subject to all of the applicable provisions
56 of sections 160.400 to 160.420 and this section. Virtual charter schools may only offer
57 instruction in a virtual setting using technology, intranet and internet methods of
58 communication.

59 6. When courses are purchased from an outside vendor, the district or charter school
60 shall ensure that they are aligned with the show-me curriculum standards and comply with state
61 requirements for teacher certification. The state board of education reserves the right to request
62 information and materials sufficient to evaluate the online course. Online classes should be
63 considered like any other class offered by the school district or charter school.

64 [5.] 7. Any school district or charter school that offers instruction in a virtual setting,
65 develops a virtual course or courses, or develops a virtual program of instruction shall ensure that
66 the following standards are satisfied:

67 (1) The virtual course or virtual program utilizes appropriate content-specific tools and
68 software;

69 (2) Orientation training is available for teachers, instructors, and students as needed;

70 (3) Privacy policies are stated and made available to teachers, instructors, and students;

71 (4) Academic integrity and internet etiquette expectations regarding lesson activities,
72 discussions, electronic communications, and plagiarism are stated to teachers, instructors, and
73 students prior to the beginning of the virtual course or virtual program;

74 (5) Computer system requirements, including hardware, web browser, and software, are
75 specified to participants;

76 (6) The virtual course or virtual program architecture, software, and hardware permit the
77 online teacher or instructor to add content, activities, and assessments to extend learning
78 opportunities;

79 (7) The virtual course or virtual program makes resources available by alternative means,
80 including but not limited to, video and podcasts;

81 (8) Resources and notes are available for teachers and instructors in addition to
82 assessment and assignment answers and explanations;

83 (9) Technical support and course management are available to the virtual course or
84 virtual program teacher and school coordinator;

85 (10) The virtual course or virtual program includes assignments, projects, and
86 assessments that are aligned with students' different visual, auditory, and hands-on learning
87 styles;

88 (11) The virtual course or virtual program demonstrates the ability to effectively use and
89 incorporate subject-specific and developmentally appropriate software in an online learning
90 module; and

91 (12) The virtual course or virtual program arranges media and content to help transfer
92 knowledge most effectively in the online environment.

93 [6.] 8. Any special school district shall count any student's completion of a virtual course
94 or program in the same manner as the district counts completion of any other course or program
95 for credit.

96 [7.] 9. A school district or charter school may contract with multiple providers of virtual
97 courses or virtual programs, provided they meet the criteria for virtual courses or virtual
98 programs under this section.

163.161. 1. Any school district which makes provision for transporting pupils as
2 provided in section 162.621 and sections 167.231 and 167.241 shall receive state aid for the
3 ensuing year for such transportation on the basis of the cost of pupil transportation services
4 provided the current year. **A school district that provides transportation for its pupils as**
5 **provided in section 167.133 shall receive state aid on its routes to receiving districts without**
6 **reduction for inefficiency, and during the first year of such transportation shall receive aid**
7 **based on an estimate of mileage for the current year.** A district shall receive, pursuant to
8 section 163.031, an amount not greater than seventy-five percent of the allowable costs of
9 providing pupil transportation services to and from school and to and from public accredited
10 vocational courses, and shall not receive an amount per pupil greater than one hundred
11 twenty-five percent of the state average approved cost per pupil transported the second preceding
12 school year, except when the state board of education determines that sufficient circumstances

13 exist to authorize amounts in excess of the one hundred twenty-five percent of the state average
14 approved cost per pupil transported the second previous year.

15 2. The state board of education shall determine public school district route approval
16 procedures to be used by each public school district board of education to approve all bus routes
17 or portions of routes and determine the total miles each public school district needs for safe and
18 cost-efficient transportation of the pupils and the state board of education shall determine
19 allowable costs. No state aid shall be paid for the costs of transporting pupils living less than one
20 mile from the school. However, if the state board of education determines that circumstances
21 exist where no appreciable additional expenses are incurred in transporting pupils living less than
22 one mile from school, such pupils may be transported without increasing or diminishing the
23 district's entitlement to state aid for transportation.

24 3. State aid for transporting handicapped and severely handicapped students attending
25 classes within the school district or in a nearby district under a contractual arrangement shall be
26 paid in accordance with the provisions of section 163.031 and an amount equal to seventy-five
27 percent of the additional cost of transporting handicapped and severely handicapped students
28 above the average per pupil cost of transporting all students of the district shall be apportioned
29 pursuant to section 163.031 where such special transportation is approved in advance by the
30 department of elementary and secondary education. State aid for transportation of handicapped
31 and severely handicapped children in a special school district shall be seventy-five percent of
32 allowable costs as determined by the state board of education which may for sufficient reason
33 authorize amounts in excess of one hundred twenty-five percent of the state average approved
34 cost per pupil transported the second previous year. In no event shall state transportation aid
35 exceed seventy-five percent of the total allowable cost of transporting all pupils eligible to be
36 transported; provided that no district shall receive reduced reimbursement for costs of
37 transportation of handicapped and severely handicapped children based upon inefficiency.

38 4. No state transportation aid received pursuant to section 163.031 shall be used to
39 purchase any school bus manufactured prior to April 1, 1977, that does not meet the federal
40 motor vehicle safety standards.

167.131. 1. The board of education of each district in this state that does not maintain
2 an accredited school **for specific grade levels** pursuant to the authority of the state board of
3 education to classify schools as established in section 161.092 shall pay [the] tuition [of] **as**
4 **calculated by the receiving district under subsection 2 of this section** and provide
5 transportation consistent with the provisions of section 167.241 for each pupil resident therein
6 who attends an accredited **public** school in another district of the same or an adjoining county.

7 2. The rate of tuition to be charged by the district attended and paid by the sending
8 district is the per pupil cost of maintaining the district's grade level grouping which includes the
9 school attended. The cost of maintaining a grade level grouping shall be determined by the board
10 of education of the district but in no case shall it exceed all amounts spent for teachers' wages,
11 incidental purposes, debt service, maintenance and replacements. The term "debt service", as
12 used in this section, means expenditures for the retirement of bonded indebtedness and
13 expenditures for interest on bonded indebtedness. Per pupil cost of the grade level grouping
14 shall be determined by dividing the cost of maintaining the grade level grouping by the average
15 daily pupil attendance. If there is disagreement as to the amount of tuition to be paid, the facts
16 shall be submitted to the state board of education, and its decision in the matter shall be final.
17 Subject to the limitations of this section, each pupil shall be free to attend the public school of
18 his or her choice.

167.133. 1. Except as provided in subsection 6 of this section, the board of
2 **education of each district in this state that has been declared unaccredited pursuant to the**
3 **authority of the state board of education as established in section 161.092 shall pay tuition**
4 **as calculated under section 167.131 and provide transportation consistent with the**
5 **provisions of section 167.241 for each pupil resident therein who meets the criteria of this**
6 **section. If there is disagreement as to the amount of tuition to be paid, the facts shall be**
7 **submitted to the state board of education, and its decision in the matter shall be final.**

8 **2. A pupil from an unaccredited district may attend a school in another district of**
9 **the same or an adjoining county if the receiving district is accredited without provision and**
10 **if the pupil has been enrolled in and attending a public school in the district during the**
11 **school year when such declaration is made, or has enrolled and attended a public school**
12 **in the unaccredited district in school years subsequent to the year in which the declaration**
13 **is made. Pupils who reside in the unaccredited district who become eligible for**
14 **kindergarten or first grade in a school year after the effective date of this section are also**
15 **eligible to transfer. A student who resides in an unaccredited district but who is attending**
16 **a private school on or after the date the district is declared unaccredited or who takes up**
17 **residence in the district after the date the district is declared unaccredited shall become**
18 **eligible to transfer to a public school in another district of the same or adjoining county**
19 **under this section after the student has enrolled in and completed a full school year in a**
20 **public school or charter school in the unaccredited district.**

21 **3. By July 30, 2014, each school district shall establish specific criteria through**
22 **board policy for the admission of nonresident pupils from districts that have been classified**
23 **as unaccredited by the state board of education who seek admission into a school district**
24 **under this section. The primary criteria shall be the availability of highly qualified**

25 teachers in existing classroom space. Each district shall establish criteria for calculating
26 available seats that take into account the district's resident student population growth or
27 decrease, based on demographic projections provided by the office of socioeconomic data
28 analysis, such that the receiving district shall not be required to employ additional teachers
29 or construct new classrooms to accommodate such transfer pupils. A receiving district
30 shall be required to accept transfer students equivalent to at least AN AMOUNT TO BE
31 DETERMINED. An incoming sibling of a transfer student who is currently attending shall
32 not be counted towards the ten-percent cap. No resident pupil shall be displaced from a
33 school to which he or she would otherwise be assigned to accommodate the admission of
34 a nonresident pupil.

35 4. The assignment of a student to a particular building shall be the decision of the
36 receiving district. Once a student from an unaccredited district has been accepted under
37 this section, the student may complete his or her educational program through and
38 including high school graduation in the receiving district.

39 5. Subject to the limitations of this section, each pupil shall be free to attend the
40 public school of his or her choice.

41 6. The provisions of subsections 1 to 5 of this section shall not apply to any student
42 enrolled in and attending a public school in a metropolitan school district or an urban
43 school district containing most or all of a home rule city with more than four hundred
44 thousand inhabitants and located in more than one county. Any student who is enrolled
45 in and attends a public school that is classified as unaccredited by the state board of
46 education under the system of classification enacted under section 161.096 located in a
47 metropolitan school district or an urban school district containing most or all of a home
48 rule city with more than four hundred thousand inhabitants and located in more than one
49 county may transfer to:

50 (1) Another public school in the student's district of residence that offers the
51 student's grade level of enrollment and that is accredited by the state board of education;
52 or

53 (2) To another district of the same or an adjoining county if the receiving district
54 is accredited without provision. Tuition shall be calculated for districts receiving students
55 from the metropolitan school district by using the same amount as used by the voluntary
56 interdistrict transfer corporation. Tuition for districts receiving students from an urban
57 school district containing most or all of a home rule city with more than four hundred
58 thousand inhabitants and located in more than one county shall be the lesser of the
59 receiving district's actual average cost of education per pupil or seven thousand two
60 hundred dollars.

61 **Each district identified in this subsection shall publicly post on its internet website and**
62 **otherwise make available, a student transfer application. Any parent or guardian who**
63 **seeks to transfer his or her child under this subsection shall complete a transfer application**
64 **by April first for the following school year. If an unaccredited school regains accreditation**
65 **from the state board of education during the school year, any student who has enrolled in**
66 **another accredited public school within the district may complete the school year at the**
67 **school of enrollment.**

167.241. Transportation for pupils whose tuition the district of residence is required to
2 pay by section 167.131 **or 167.133** or who are assigned as provided in section 167.121 shall be
3 provided by the district of residence; however, in the case of pupils covered by section 167.131
4 **or 167.133**, the district of residence shall be required to provide transportation only to school
5 districts accredited by the state board of education pursuant to the authority of the state board of
6 education to classify schools as established in section 161.092 [and those school districts] **that**
7 **are** designated by the board of education of the district of residence.

167.425. 1. When the state board of education classifies a school district as
2 **unaccredited, the department of elementary and secondary education shall establish a**
3 **clearinghouse, as provided in this section, to assist students to transfer from an**
4 **unaccredited district if the most recent enrollment figure for the unaccredited district**
5 **added together with that of all districts in the same and adjoining counties totals ten**
6 **thousand or more students.**

7 **2. For purposes of this section, "clearinghouse" means a neutral third party**
8 **appointed by the department of elementary and secondary education to coordinate student**
9 **transfers from unaccredited school districts to accredited districts or nonpublic schools**
10 **with an equal opportunity scholarship subject to the conditions of section 167.133.**

11 **3. The clearinghouse shall make information and assistance available to assist**
12 **parents or guardians who intend to transfer their child from an unaccredited district to an**
13 **accredited district or nonpublic school using an equal opportunity scholarship under this**
14 **section. The clearinghouse shall provide the most current information possible, with the**
15 **assistance of the department of elementary and secondary education, on the possible effects**
16 **of private school placement for children who may require special education services.**

17 **4. The parent or guardian of a pupil residing in an unaccredited district who**
18 **intends to enroll the parent's or guardian's child in an accredited district or nonpublic**
19 **school using an equal opportunity scholarship under the provisions of this section shall**
20 **send initial notification to the pupil's school district of residence and the clearinghouse.**
21 **Each parent or guardian of a pupil who provides notice of intent to transfer from an**
22 **unaccredited school district to another school under this section shall do so on forms**

23 prescribed by the department of elementary and secondary education. Initial notification
24 shall be made by January fifteenth for enrollment in the subsequent school year.

25 **5. (1) If a parent or guardian fails to file the initial notification forms by the**
26 **deadline specified in subsection 4 of this section, and satisfies the definition of good cause**
27 **as defined in subdivision (3) of this subsection, or if the request is to enroll a child in a**
28 **school in an accredited district under this section for kindergarten or first grade or in any**
29 **grade if a child is moving into Missouri or moving into the public school district for the**
30 **first time, the parent or guardian shall be permitted, if accepted, to enroll the child in the**
31 **other district in the same manner as if the deadline had been met.**

32 **(2) Until the last Friday in March of that calendar year, the parent or guardian**
33 **requesting transfer shall send notification to the district of residence and the clearinghouse,**
34 **on forms prescribed by the department of elementary and secondary education, that good**
35 **cause, as defined in subdivision (3) of this subsection, exists for failure to meet the deadline.**
36 **The clearinghouse shall take action to approve the request if good cause exists. A denial**
37 **of a request by the clearinghouse is not subject to appeal.**

38 **(3) For purposes of this section, "good cause" means a change in a child's residence**
39 **due to a change in family residence, a change in a child's parents' marital status, a**
40 **guardianship or custody change, placement in foster care, adoption, participation in a**
41 **substance abuse or mental health treatment program, or student health or safety concerns;**
42 **or a change in the status of a child's district of residence, such as removal of accreditation**
43 **by the state board of education, permanent closure of a public or nonpublic school that the**
44 **child attends, or revocation of a charter school's charter as provided in section 160.405.**
45 **If the good cause relates to a change in status of a child's school district of residence,**
46 **however, action by a parent or guardian shall be taken to file the notification within**
47 **forty-five days of the last official action relating to such status.**

48 **6. The clearinghouse may contract with a school district, a voluntary interdistrict**
49 **council, or a private entity for transportation services.**

50 **7. The expenses associated with the administration of pupil transfers under this**
51 **section shall be defrayed by the department of elementary and secondary education**
52 **retaining funds to cover the cost of administration from the state school aid withheld from**
53 **a transfer student's district of residence.**

168.110. The board of education of a school district may modify an indefinite contract
2 annually on or before the fifteenth day of May in the following particulars:

3 (1) Determination of the date of beginning and length of the next school year;

4 (2) Fixing the amount of annual compensation for the following school year as provided
5 by the [salary schedule] **compensation plan** adopted by the board of education [applicable to

6 all teachers]. The modifications shall be effective at the beginning of the next school year. All
7 teachers affected by the modification shall be furnished written copies of the modifications
8 within thirty days after their adoption by the board of education.

Section B. Because of the need to provide immediate guidance on the operations of
2 unaccredited districts, the enactment of sections 135.712, 135.713, 135.714, 135.715, 135.716,
3 135.717, 135.719, 167.133, and 167.425, and the repeal and reenactment of sections 162.1250,
4 163.161, 167.131, and 167.241 of this act are deemed necessary for the immediate preservation
5 of the public health, welfare, peace and safety, and is hereby declared to be an emergency act
6 within the meaning of the constitution, and the enactment of sections 135.712, 135.713, 135.714,
7 135.715, 135.716, 135.717, 135.719, 167.133, and 167.425 and the repeal and reenactment of
8 sections 162.1250, 163.161, 167.131, and 167.241, of this act shall be in full force and effect
9 upon its passage and approval.

✓